

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director
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Editor: Jan Nienow
janice.nienow@sba.gov

SBA Increases Small Business Size Standards

The U.S. Small Business Administration has increased its small business size standards to account for inflation, restoring small business eligibility to those firms that may have lost their small business status because of inflation since February 2002.

SBA has adjusted its dollar-based business size standards, which are based on receipts, net worth and financial assets, to reflect inflation that has occurred since February 2002, when SBA last adjusted them for the same reason. Since the February 2002 inflation adjustment, prices have generally increased 8.7 percent. SBA increased the familiar "anchor" size standard from \$6.0 million to \$6.5 million. Size standards that are higher than \$6 million also reflect similar percentage increases.

"These changes to our size standards and eligibility criteria will ensure that growing small businesses whose growth has matched the inflation rate will continue to have access to SBA's financial and contracting assistance programs," said SBA Administrator Hector V. Barreto. "We decided to make these changes immediately, rather than wait, because of the pressing needs that so many small businesses have in the Gulf Coast and in Florida from the recent destructive hurricanes."

SBA also changed how it determines the size of small business concerns when they apply for SBA Business Loans and for Economic Injury

Disaster Loans (EIDL). Instead of looking only at the loan applicant's primary industry, SBA now looks at both its primary industry and the primary industry of the applicant together with its affiliates. This will provide additional assistance to small businesses that have subsidiaries and affiliates.

SBA also changed procedures for determining size status for the purpose of EIDL applications for businesses located in disaster areas declared because of Hurricanes Katrina, Rita, and Wilma. For an EIDL loan, instead of having to show it was a small business when these hurricanes struck, the firm only has to fit the new small business size standard when SBA accepts its application for processing.

SBA issued an Interim Final Rule on December 6, 2005, and the revised size standards took effect the same day for its loan programs. For federal procurement, the new size standards become effective on January 5, 2006.

SBA and Operation HOPE Team Up to Help Gulf Coast Small Businesses

In an effort to provide financial counseling and assistance to small and minority businesses affected by the hurricanes that ravaged the Gulf Coast earlier this year, the SBA and Operation HOPE, Inc. has joined forces to launch Project Restore. HOPE/Small Business announced SBA Administrator Hector V. Barreto and Operation Hope Chairman and CEO John Bryant in the New Orleans.

Project Restore HOPE/Small Business, made possible through a co-sponsorship between the SBA and Operation HOPE, offers small and minority businesses in disaster-affected communities access to free financial counseling, information on economic assistance programs, and budgeting advice through one-on-one telephone counseling. To access this resource, business owners should call 1-888-388-HOPE (4673) and select the Project Restore HOPE/Small Business option.

"I would like to thank Operation HOPE for joining us in this worthy cause to help disaster-affected small and minority businesses and entrepreneurs get back on their feet," said Administrator Barreto. "Small businesses are the engine of our economy and I hope that the local business community, lending and insurance institutions will join us to help reenergize the Gulf Coast economy and create jobs."

SBA and Operation HOPE will also work together to recruit 1000 volunteer professionals from financial institutions, credit unions, and insurance companies to participate in this initiative as soon as possible. Participating volunteers will provide free financial counseling, information on economic assistance programs, and budgeting advice to small business owners in the Gulf Coast area. The one-on-one counseling will be provided via telephone.

"The Gulf Coast region—from its location to its resources to its unique community trades and businesses—represents one of the richest regions commerce-wise in our country," said John Bryant, chairman and CEO, Operation HOPE. "We cannot and will not give up on the businesses affected, or the people who still want to create business in the region. Rather, we must actively support, encourage and educate them, through substantive and result-oriented, on the ground and direct-action programs

like Operation HOPE. We must all remember that you cannot even have a rainbow without a storm first. Our friends in the Gulf Coast region have been through their storm."

The SBA's mission is to maintain and strengthen the nation's economy by aiding, counseling, assisting and protecting the interests of small businesses. The SBA offers small business financing through partners in the commercial lending sector, technical assistance through national networks of small business counselors and assistance to homeowners, renters and businesses of all sizes following disasters. For more information on SBA programs, please visit www.sba.gov.

Operation HOPE, Inc. is America's first nonprofit social investment bank and a national provider of financial literacy and economic empowerment programs. Through ongoing collaborations and long-term partnerships with leading government, private sector, and community interests, Operation HOPE works to bring self-sufficiency and a sustained spirit of revitalization to America's inner-city communities. At the core of Operation HOPE's mission to eradicate poverty and empower the wealth-less is a movement to establish "Silver Rights" or the right to financial literacy, access to capital, and equality of opportunity for the underserved. For more information on Operation Hope, please visit www.operationhope.org.

SBA's participation in this co-sponsorship is not an endorsement of the views, opinions, products, or services of any cosponsor or other person or entity. All SBA programs, services and cosponsored activities are extended to the public on a nondiscriminatory basis. Co-sponsorship Authorization #06-0507-17.

Strong Support from Small Business Community & Chairman Manzullo on Gulf Coast Recovery

U.S. Small Business Administration Administrator Hector V. Barreto welcomed a strong show of support for the way the SBA is responding to the terrible disaster caused by Hurricanes Katrina, Rita, and Wilma from House Small Business Committee Chairman Donald Manzullo and 15 organizations representing more than hundreds of thousands of small business owners and employees.

Chairman Manzullo called the press conference on Capitol Hill to explain how the SBA is using its congressionally mandated disaster assistance program to respond to the disaster. He was joined by Administrator Barreto and representatives from the 15 small business groups.

"The SBA's response to the horrible catastrophe in the Gulf Coast has been unprecedented, and there is much work yet to be done," said Manzullo. "I have every confidence that Administrator Barreto and the SBA will succeed in delivering billions of dollars in recovery loans in a responsible manner, while balancing the interest of both the taxpayers and the people of the Gulf Coast."

"I greatly appreciate Chairman Manzullo's efforts to give a true, balanced picture of how the SBA is responding to this year's hurricanes," said Administrator Barreto. "In addition, I would like to thank all the national organizations and key partners that joined us today in support of what this agency is doing to help those impacted by these storms."

Attending the press conference was:

- U.S. Chamber of Commerce
- National Federation of Independent Businesses
- National Black Chamber of Commerce
- National Small Business Association
- Operation HOPE
- Small Business and Entrepreneurship Council
- U.S. Hispanic Chamber of Commerce
- Hispanic Business Roundtable
- The Latino Coalition
- Minority Business Roundtable
- Women Impacting Public Policy
- U.S. Pan-Asian American Chamber of Commerce
- U.S. Indian American Chamber of Commerce
- HUBZone Contractors National Council
- Women's Business Network

To date, the SBA has approved more than \$1.4 billion in disaster loans to almost 21,000 homeowners, renters, and small businesses. In three-and-a-half months, one third of the 317,000 applications have already been processed and more than 107,000 damaged properties have been inspected. More than 4,000 employees at the SBA are engaged in disaster assistance.

Loan approvals since the beginning of December have averaged \$33 million per day, and loans approved by the SBA have surpassed the billion-dollar mark in roughly the same amount of time following the 1994 Northridge Earthquake, the largest disaster before the current one, and five weeks faster than after last year's Florida hurricanes.

The agency has also streamlined documentation requirements, simplified requirements for business disaster loans under \$100,000. To help

the affected businesses, we've also deferred loan payments for one year. The SBA also continues to improve loan processing so we can make decisions as quickly and efficiently as possible.

"As charged by President Bush, this administration will continue to work urgently and with compassion to assist the hurricane victims," said Barreto. "Since the beginning, we've been working with state and local governments as well as the private sector and the non-profit community to help the Gulf Coast rebuild."

Out and About With SBA

Meetings/Speaking Engagements/Special Events

SBA personnel spoke at a *Start Smart Class* at WWBIC in Madison and a *Can We Talk* class at the Madison TEC Center. District Director Eric Ness presented the Community Express Program to the Racine County Economic Development Corporation partnership meeting. SBA personnel attended the Local Initiative Support Corporation's annual meeting where awards were given for the volunteers of the Main Street Programs.

Lender Training/Visits

SBA personnel attended the WCTC Business Planning Training and went through business plans with three small businesses that attended.

SCORE Corner

Throughout the year, SCORE offers workshops covering a variety of business related topics. Score counselors and other working professionals in relevant fields lead workshops and share their expertise with workshop participants. In January 2006, Score will hold a series (4) of workshops on writing a successful business plan. The first session will

cover the key elements of a successful business plan. In the second session, participants will actually begin to write a business plan in a systematic way with the guidance of those experienced in business. Session three will include discussions on developing a strategic marketing plan, promotion and advertising. Session four will address creating a financial plan and managing your company's finances. Workshop participants will learn about accounting systems, financial reports and business ratios. Potential loan sources will be identified and participants will also learn how be successful in obtaining loans.

The workshops will be held on 1/5, 1/12, 1/19 and 1/26 (Thursdays) from 6:30-9:00 p.m. at the Milwaukee County Research Park, 10437 Innovation Drive, Wauwatosa, WI. The fee for all four workshops is \$80.00; workshops I & II or workshops III & IV, \$50.00

To register, visit the SCORE website at www.scoremilwaukee.org, or call 414-297-3942.

Editor's Notes

There will be a Ready-Talk session on how to finance your client who is exporting. It will be held on February 1, 2006 at 3:00 p.m. CST. John Nevell, Manager of International Trade, will present the session. The toll-free conferencing number to access the session is 866-740-1260 with access code number 3056303. The web access is www.readytalk.com. Please join us!

Web Chats

To see past web chat transcripts on small business topics, visit <http://www.sba.gov/chats/>. You will find topics on Veterans; Tax Planning for your small business; Healthcare and your small business, plus more.

SBA Lenders for November 2005

Amcore Bank NA

Rockford, IL – 2 Loans for \$1,050,000

American National Bank**Fox Cities**

Appleton – 3 Loans for \$127,900

Associated Bank NA

Green Bay – 9 Loans for \$1,979,170

Baylake Bank

Sturgeon Bay – 1 Loan for \$287,300

Business Bank Fox River Valley

Appleton – 1 Loan for \$150,000

Capital One Federal Savings Bank

McLean, VA – 9 Loans for \$330,000

Centre 1 Bancorp

Beloit – 1 Loan for \$165,000

Charter Bank Eau Claire

Eau Claire – 1 Loan for \$130,000

CIT Small Business Lending Corp.

Livingston, NJ

2 Loans for \$1,247,500

Comerica Bank

Detroit, MI – 1 Loan for \$517,500

Community Bank & Trust

Sheboygan – 8 Loans for \$1,098,000

Community First CU

Appleton – 1 Loan for \$56,400

Cornerstone Community Bank

Grafton – 1 Loan for \$140,000

Coulee Bank

La Crosse – 1 Loan for \$8,100

Covantage CU

Wausau – 1 Loan for \$2,000,000

First National Bank Fox Valley

Neenah – 2 Loans for \$1,000,000

First National Bank New Richmond

New Richmond – 1 Loan for \$75,000

First National Bank River Falls

River Falls – 3 Loans for \$128,400

Fox Communities CU

Appleton – 1 Loan for \$200,000

Great Wisconsin Credit Union

Madison – 1 Loan for \$20,000

Green Lake State Bank

Green Lake – 1 Loan for \$304,000

Hiawatha National Bank

Hager City – 1 Loan for \$361,018

Hometown Bank

St. Cloud – 2 Loans for \$1,231,500

Johnson Bank

Kenosha – 1 Loan for \$596,118

Racine – 1 Loan for \$66,000

Total: 2 Loans for \$662,118**JPMorgan Chase Bank NA**

Houston, TX – 2 Loans for \$1,329,800

Columbus, OH

2 Loans for \$125,000

Chicago, IL – 1 Loan for \$66,000

Total: 5 Loans for \$1,520,800**Layton State Bank**

Milwaukee – 1 Loan for \$10,000

M&I Marshall & Ilsley Bank

Milwaukee – 10 Loans for \$1,595,600

Marine Bank

Pewaukee – 1 Loan for \$106,475

Merchants Bank NA

Hampton, MN – 1 Loan for \$25,000

Milwaukee Economic Development Corp.

Milwaukee – 2 Loans for \$283,000

Monona State Bank

Monona – 4 Loans for \$185,000

Park Bank

Brookfield – 4 Loans for \$195,000

Peoples State Bank

Wausau – 1 Loan for \$93,000

Port Washington State Bank

Port Washington

2 Loans for \$545,000

River Bank

La Crosse – 1 Loan for \$2,000,000

Stoddard – 1 Loan for \$15,000

Total: 2 Loans for \$2,015,000**River Valley State Bank**

Rothschild – 4 Loans for \$497,100

Eagle River – 1 Loan for \$280,000

Total: 5 Loans for \$777,100**State Bank of Chilton**

Chilton – 3 Loans for \$2,361,300

State Bank of La Crosse

La Crescent, MN

1 Loan for \$245,000

The First State Bank

New London – 1 Loan for \$1,000,000

Tomahawk Community Bank SSB

Tomahawk – 1 Loan for \$80,000

Union Bank of Blair

Blair – 1 Loan for \$100,000

US Bank NA

Cincinnati, OH

18 Loans for \$3,406,900

Washington County Bank

Oakdale, MN – 1 Loan for \$127,000

Waukesha State Bank

Waukesha – 1 Loan for \$65,000

Wells Fargo Bank NA

San Jose, CA – 6 Loans for \$648,800

Wisconsin Business Development Finance Corp.

Monona – 10 Loans for \$8,140,000

Wisconsin Community Bank

Cottage Grove – 1 Loan for \$50,000

Wisconsin State Bank

Random Lake – 1 Loan for \$175,000